NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

### PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this New Beth Eden Missionary Baptist Church, a Texas non-profit corporation whose addresss is 3208 Wilbarger Street, Fort Worth, Texas, 76119 as Lessor, and, DALE PROPERTY INICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named a see, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following scribed land, hereinafter called leased premises:

See Exhibit "A" attached hereto and by reference made a part hereof.

in the County of Tarrant, State of TEXAS, containing 9.799 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons eparated at Lessee's separator facilities, the royalty shall be twenty-five percent (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be twenty-five percent (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells and human therefore is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period while the well or such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill

leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed of permitted by any governmental authority purisdiction to do so. For the purpose of the foregoing, the terms 'oil well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term 'horizontal completion' means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term 'horizontal completion' means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall like of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywh

#### Page 2 of 5

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee on until Lesser has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to any or tender shall be divided between lessee and the transferred interest in this lease then held by each

pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-lin royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or untitzed herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along mith the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises oxecept water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or boarn mow on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall bury that any time to remove its fatures, equipment and materials, including well casing, from the leased premises or such other lands and the production or other operations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jur

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of two (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Less

LESSOR (WHETHER ONE OR MORE)

By: B.R. Daniels

As: Pastor of New Beth Eden Missionary Baptist Church, a

Texas non-profit corporation

By: Bobby Mitchell
As: Director As: Director of New Beth Eden Missionary Baptist Church, a

Texas non-profit corporation

Church, a Texas non-profit corporation

By: Larry Ruffir

As: Director of

Curtis Savannah

Church, a Texas non-profit corporation

As: Chairman of Trustees of New Beth Eden Missionary

th Eden Mis

ry Baptist

As: Director of New Beth Eden Missionary Baptist

Baptist Church, a Texas non-profit corporation

Jerry Holme

s: Chairman of Finance of New Beth Eden Missionary

Baptist Church, a Texas non-profit corporation

ACKNOWLEDGMENT	
STATE OF TANCAL TO STATE OF TANC	•
This instrument was acknowledged before me on the // day of / day	
PATRICIA CLEVELAND MY COMMISSION EXPIRES August 25, 2010	Notary Public, State of The Notary's name (printed): 70 + 616 10 Cleveland Notary's commission expires: 8/25/2010
STATE OF	
PATRICIA CLEVELAND MY COMMISSION EXPIRES August 25, 2010	Notary Public, State of Announce (Notary's name (printed): 73 +210/3 (Levelance Notary's commission expires: 8/25/2010
STATE OF / COUNTY OF / DIAM This instrument was acknowledged before me on the // day of the Music Eden Missionary Baptist Church, a Texas non-profit corporation, on being	, 2010, by: Bobby Mitchell, as Director of New Beth
PATRICIA CLEVELAND MY COMMISSION EXPIRES August 25, 2010	Notary Public, State of Market Control Notary's name (printed): Pareira Chevelous Notary's commission expires:  8/25/2010
COUNTY OF Man  This instrument was acknowledged before me on the	, 2010, by: Larry Ruffin, as Director of New Beth Eden
Missionary Baptist Church, a Texas non-profit corporation, on behalf of sa	Notary Public, State of Notary's name (printed): A Percia Cleveland Notary's commission expires: 8/25/2010
COUNTY OF TAMEN	7, 2010, by: <u>Jerry Holmes, as Chairman of Finance of</u> n, on behalf of said corporation
PATRICIA CLEVELAND MY COMMISSION EXPIRES August 25, 2010	Notary Public, State of By Notary's name (printed) Total Care Constant Care Commission expires: 8/25/2010
STATE OF	, 2010, by: Sanford Crayton, as Chairman of Trustees of n, on behalf of sald corporation
PATRICIA CLEVELAND  MY COMMISSION EXPIRES	Notary Public, State of Notary's name (printed): 15 421513 (Severand Notary's commission expires:

## Exhibit "A"

- 4.829 acres of land, more or less, being all of Lot 1R, Block 1, out of the Oaklawn Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-124, Page 214, of the Plat Records of Tarrant County, Texas.
- 2.225 acres of land, more or less, being all of Lot 4A, Block 1, out of the Oaklawn Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-K, Page 491, of the Plat Records of Tarrant County, Texas.
- .459 acres of land, more or less, being all of Lot 1, Block 24, out of the Masonic Home Addition, Second Filing, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 309, Page 37, of the Plat Records of Tarrant County, Texas.
- .459 acres of land, more or less, being all of Lot 2, Block 24, out of the Masonic Home Addition, Second Filing, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 309, Page 37, of the Plat Records of Tarrant County, Texas.
- .230 acres of land, more or less, being the West half of Lot 3, Block 24, out of the Masonic Home Addition, Second Filing, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 309, Page 37, of the Plat Records of Tarrant County, Texas.
- .918 acres of land, more or less, being all of Lots 11 and 12, Block 24, out of the Masonic Home Addition, Second Filing, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 309, Page 37, of the Plat Records of Tarrant County, Texas.
- .459 acres of land, more or less, being all of Lots 10A and 10B, Block 24, out of the Masonic Home Addition, Second Filing, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-K, Page 431, of the Plat Records of Tarrant County, Texas.
- .220 acres of land, more or less, being all of Lot A1, Block 25, out of the Masonic Home Addition, Second Filing, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-Q, Page 189, of the Plat Records of Tarrant County, Texas.

Said lands are hereby deemed to contain 9.799 acres of land, more or less.

#### SUZANNE HENDERSON

**COUNTY CLERK** 



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9 **DALLAS, TX 75201** 

Submitter: DALE RESOURCES LLC

# **DO NOT DESTROY** WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

2/23/2010 12:26 PM

Instrument #:

D210039940

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**PGS** 

\$28.00

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D210039940

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: CAMADDOCK